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DEPARTMENT OF COMMERCE

International Trade Administration

(C-580-818)

Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On August 31, 2011, the U.S. Department of Commerce (“the Department”) published in the Federal Register its preliminary results of the administrative review of the countervailing duty (“CVD”) order on corrosion-resistant carbon steel flat products (“CORE”) from the Republic of Korea (“Korea”) for the period of review (“POR”) January 1, 2009, through December 31, 2009.<sup>1</sup> We preliminarily found that Hyundai HYSCO Ltd. (HYSCO) received de minimis countervailable subsidies during the POR. However, we subsequently issued a Post Preliminary Analysis Memorandum and Post Preliminary Final Results in which we found that HYSCO received additional countervailable subsidies.<sup>2</sup> We received comments on our Preliminary Results from interested parties, and we have made revisions to our calculations. The final results are listed in the section “Final Results of Review” below.

EFFECTIVE DATE: (Insert date of publication in the Federal Register)

FOR FURTHER INFORMATION CONTACT: Gayle Longest at (202) 482-3338, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S.

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<sup>1</sup> See Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, 76 FR 54209 (August 31, 2011) (“Preliminary Results”).

<sup>2</sup> See 2009 Review of the Countervailing Duty Order on Corrosion-Resistant Carbon Steel Flats Products from Korea: Post Preliminary Analysis Memorandum for Hyundai HYSCO Ltd. (“HYSCO”) and Post Preliminary Results of CVD Administrative Review: Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea (C-580-818) dated September 27, 2011.

Department of Commerce, 14th Street and Constitution Ave, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On August 17, 1993, the Department published in the Federal Register the CVD order on CORE from Korea.<sup>3</sup> On August 31, 2011, the Department published in the Federal Register its Preliminary Results of the administrative review of this order for the period January 1, 2009, through December 31, 2009.<sup>4</sup> In accordance with 19 CFR 351.213(b), this administrative review covers HYSCO, a producer and exporter of subject merchandise.

In the Preliminary Results, we indicated that we would address the Restriction of Special Taxation Act (RSTA) Article 26 program in a post-preliminary decision memorandum, because information concerning this program was submitted by the Government of Korea (GOK) shortly before the Preliminary Results.<sup>5</sup> On September 27, 2011, we issued a Post Preliminary Analysis Memorandum and Post Preliminary Results.<sup>6</sup>

In the Preliminary Results, we invited interested parties to submit briefs or request a hearing. On October 11, 2011, the respondent, HYSCO, submitted comments on the Preliminary Results. On October 18, 2011, the petitioner, U.S. Steel Corporation, submitted rebuttal comments.

Subsequent to Preliminary Results, the Department issued supplemental questionnaires to

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<sup>3</sup> See Countervailing Duty Orders and Amendments to Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Korea, 58 FR 43752 (August 17, 1993).

<sup>4</sup> See Preliminary Results, 76 FR 54209.

<sup>5</sup> See Preliminary Results at 54215.

<sup>6</sup> See Post Preliminary Analysis Memorandum and Post Preliminary Results.

HYSCO on November 18, 2011 and December 22, 2011. HYSCO submitted timely responses on December 2, 2011 and January 11, 2012. To allow sufficient time to collect and analyze this additional information, and the briefing process, the Department extended the time limit for these final results.<sup>7</sup> We invited interested parties to submit comments on the additional information collected after the Preliminary Results. On December 12, 2011 and January 11, 2012, HYSCO submitted comments. On December 19, 2011 and January 17, 2012, U.S. Steel submitted rebuttal comments. HYSCO submitted rebuttal comments on January 20, 2012. The Department did not conduct a hearing in this review because none was requested.

The Department has considered the comments from interested parties, and we have made revisions to our short-term benchmark used to measure the benefit from the KEXIM short-term exporting financing program. Our findings concerning the issue raised by HYSCO and U.S. Steel are addressed in the accompanying Decision Memorandum for the Countervailing Duty Administrative Review on Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea (Decision Memorandum), which is dated concurrently with and hereby adopted by this notice. Parties can find a complete discussion of these issues and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit of the main commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the internet at <http://ia.ita.doc.gov/frn>.

The paper copy and the electronic version of the Decision Memorandum are identical in content.

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<sup>7</sup> See Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Extension of Time Limit for Final Results of Countervailing Duty Administrative Review, 76 FR 77775 (December 14, 2011).

### Scope of Order

Products covered by the order are CORE from Korea. These products include flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness. The merchandise subject to the order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7210.30.0000, 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.29.0090, 7210.60.0000, 7210.61.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.20.1500, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.30.15.0000, 7217.32.5000, 7217.33.5000, 7217.39.1000, 7217.39.5000, 7217.90.1000 and 7217.90.5000. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise subject to the order is dispositive.

### Period of Review

The POR for which we are measuring subsidies is from January 1, 2009, through December 31, 2009.

### Final Results of Review

As noted above, the Department received comments concerning the Preliminary Results. We find that changes are warranted in these final results. As a result, we have made revisions to our short-term benchmark used to measure the benefit from the short-term export financing program, as explained in our Decision Memorandum. Therefore, in these final results, we find that HYSCO received a net subsidy of 0.46 percent ad valorem, which is a de minimis rate. See 19 CFR 351.106(c)(1).

Listed below are the programs we examined in the review and our findings with respect to each of these programs. For a complete analysis of these programs, see the Preliminary Results and the Post Preliminary Analysis Memorandum.

#### I. Programs Determined to Confer Subsidies During the POR

- A. Short-Term Export Financing
- B. R&D Grants and Loans under the Act on Special Measures for the Promotion of Specialized Enterprises for Parts and Materials
- C. Restriction of Special Taxation Act (RSTA) Article 26

#### II. Programs that Provided No Benefits During the POR

- A. Research and Development Grants Under the Industrial Development Act (IDA)
- B. Research and Development Grants Under the Industrial Technology Innovation Promotion Act (ITIPA)
- C. R&D Grants Under the Act on the Promotion of the Development, Use, and Diffusion

of New and Renewable Energy

- D. Reduction in Taxes for Operation in Regional and National Industrial Complexes
- E. Overseas Resource Development Program: Loan From Korea Resources Corporation (KORES)
- F. Overseas Resource Development Program: Loan From Korea National Oil Corporation(KNOC)

### III. Programs Found Not to Have Been Used During the POR

- A. Reserve for Research and Manpower Development Fund Under RSTA Article 9 (TERCL Article 8)
- B. RSTA Article 11: Tax Credit for Investment in Equipment to Development Technology and Manpower (TERCL Article 10)
- C. Reserve for Export Loss Under TERCL Article 16
- D. Reserve for Overseas Market Development Under TERCL Article 17
- E. Reserve for Export Loss Under TERCL Article 22
- F. Exemption of Corporation Tax on Dividend Income from Overseas Resources Development Investment Under TERCL Article 24
- G. Reserve for Investment (Special Cases of Tax for Balanced Development Among Areas Under TERCL Articles 41-45)
- H. Tax Credits for Specific Investments Under TERCL Article 71
- I. Asset Revaluation Under Article 56(2) of the TERCL
- J. RSTA Article 94: Equipment Investment to Promote Worker's Welfare (TERCL Article 88)
- K. Electricity Discounts Under the Requested Loan Adjustment Program
- L. Electricity Discounts Under the Emergency Load Reductions Program
- M. Export Industry Facility Loans and Specialty Facility Loans
- N. Exemption of VAT on Imports of Anthracite Coal
- O. Short-Term Trade Financing Under the Aggregate Credit Ceiling Loan Program Administered by the Bank of Korea

- P. Industrial Base Fund
- Q. Excessive Duty Drawback
- R. Private Capital Inducement Act Tax Credits for Temporary Investments Under TERCL Article 27
- S. Scrap Reserve Fund
- T. Short-Term Document Acceptance (D/A) Financing Provided Under KEXIM's Trade Rediscount Program
- U. Special Depreciation of Assets on Foreign Exchange Earnings
- V. Export Insurance Rates Provided by the Korean Export Insurance Corporation
- W. Loans from the National Agricultural Cooperation Federation
- X. Tax Incentives from Highly Advanced Technology Businesses Under the Foreign Investment and Foreign Capital Inducement Act
- Y. Other Subsidies Related to Operations at Asan Bay: Provision of Land and Exemption of Port Fees Under the Harbor Act
- Z. D/A Loans Issued by the Korean Development Bank and Other Government-Owned Banks Energy-Servings Facilities Investment Reserve Funds Under TERCL Article 29
- AA. R&D Grants Under the Promotion of Industrial Technology Innovation Act
- AB. Export Loans by Commercial Banks Under KEXIM's Trade Bill Rediscounting Program

#### Assessment Rates/Cash Deposits

The Department intends to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of these final results of review to liquidate shipments of subject merchandise by HYSCO entered, or withdrawn from warehouse, for consumption on or after January 1, 2009, through December 31, 2009, without regard to countervailing duties. We will also instruct CBP not to collect cash deposits of estimated countervailing duties on shipments of the subject merchandise by HYSCO entered, or withdrawn

from warehouse, for consumption on or after the date of publication of these final results of review.

For all non-reviewed companies, the Department has instructed CBP to assess countervailing duties at the cash deposit rates in effect at the time of entry, for entries between January 1, 2009, and December 31, 2009. The cash deposit rates for all companies not covered by this review are not changed by the results of this review, and remain in effect until further notice.

Return or Destruction of Proprietary Information

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act of 1930, as amended.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Import Administration

\_\_\_\_ February 27, 2012 \_\_\_\_  
(Date)



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